

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

IN RE:

LaChon Smith

Debtor

Case No.: 22-12180
Chapter: 13
Plan filed on 10/20/2022
Confirmation Hearing: 1/10/23
Judge Carol A. Doyle

OBJECTION TO CONFIRMATION OF PLAN FILED ON 10/20/2022

NOW COMES REVERSE MORTGAGE FUNDING, LLC, its successors and/or its assigns (hereinafter “Movant”), by and through its attorneys, Codilis & Associates, P.C., and moves this Honorable Court for an Order denying confirmation of Debtor’s plan filed on 10/20/2022 and in support thereof states as follows:

1. Debtor filed a petition under Chapter 13 of Title 11, United States Bankruptcy Code on 10/20/2022 and this Court has jurisdiction pursuant to 28 U.S.C. §1334 and Internal Operating Procedure 15(a) of the United States District Court for the Northern District of Illinois;
2. Movant was a creditor of an individual by the name of Paula Smith, who is deceased, with respect to a Reverse Mortgage dated 4/15/2009 on real property commonly known as 2145 East 98th Street, Chicago, IL (“Subject Property”);
3. Movant has filed a claim in the amount of \$123,236.56 reflecting the full balance as pre-petition arrearages, and stating that the total loan is past due;
4. Pursuant to Paragraph 7 of the mortgage, the outstanding principal is due in full upon the death of the borrower (unless there is a surviving borrower for whom this property is his or her primary residence), or upon sale of the property;
5. Although the Debtor is an heir, she is not a surviving borrower on the loan;

6. Despite this provision, the Debtor proposes to pay this reverse mortgage by bifurcating it into a secured claim of \$62,000.00 at 0% interest, with the balance presumably treated as an unsecured creditor;

7. Movant objects to the inclusion by Debtor of this mortgage in any plan of reorganization since Debtor is not a borrower on this loan; the loan is called due; and treatment in this plan by anyone other than a borrower on the loan is expressly prohibited by the mortgage documents;

8. In addition, in the event Debtor is allowed to treat this loan in her plan, Movant also objects to any bifurcation of this mortgage;

9. Further, Debtor's plan fails to provide for the ongoing maintenance of real estate taxes and hazard insurance on the Subject Property;

10. Movant has incurred attorney fees and/or costs in connection with this bankruptcy proceeding subject to court approval, including:

\$550.00 for Objection to confirmation of the Chapter 13 plan including plan review and attending confirmation, if not separately billed.

WHEREFORE, REVERSE MORTGAGE FUNDING, LLC prays this Court deny confirmation of the plan allowing the fees and costs described herein to be added to the indebtedness pursuant to the terms of the note and mortgage, and for such other and further relief as this Court may deem just and proper.

Dated this January 3, 2023.

Respectfully Submitted,
Codilis & Associates, P.C.

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NOTE: This law firm is a debt collector.